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C O N F I D E N T I A L SECTION 01 OF 03 TAIPEI 001261

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SUBJECT: GROWING DISARRAY AND ANXIETY IN THE GREEN CAMP

Classified By: AIT Deputy Director David J. Keegan,
Reasons: 1.4 (b/d)

¶1. (C) Summary: A number of DPP legislators, dismayed by low public support for the party and President Chen Shui-bian, are growing increasingly concerned about election prospects over the next two years, leading them to call for reforms and a greater role for legislators in DPP policymaking. Some would like to see the party distance itself from President Chen and rally around popular moderate politicians, such as Premier Su Tseng-chang. They believe that candidates in future one-on-one legislative elections will have to pursue moderate policies to win the key middle voters. Despite failing to increase his popularity so far, President Chen seems bent on continuing to pursue a political mobilization strategy, including promoting a constitutional reengineering movement, in hopes of consolidating the DPP base. Over the next two years, Chen will face increasing challenges from legislators and potential presidential candidates such as Premier Su, who, unlike Chen, must compete in the electoral market place. End Summary.

¶2. (C) There is a growing sense of disarray and anxiety in the ruling Democratic Progressive Party (DPP), especially among DPP legislators. They are concerned that the current low level of public support for President Chen and the party will reduce DPP prospects in a series of difficult elections over the next two years. Pessimism within the DPP has been fueled by a series of election defeats and political scandals, by President Chen's failure to coordinate or even communicate with legislators and others over policy decisions, the collapse of the planned DPP China policy debate, the protest resignation of one DPP Legislative Yuan (LY) member from the party, calls from other DPP LY members for party reform, and insurance fraud scandals involving two DPP legislators who are medical doctors.

¶3. (C) A recent poll conducted by the DPP for internal use showed Chen's public approval rating at just 18 percent and his dissatisfaction rating at 76 percent, an all-time high. The same poll showed public support for the DPP also at a low 18 percent, contrasted to 36 percent support for the Kuomintang (KMT). Other recent polls, mostly conducted by the media, show public satisfaction with Chen's performance ranging from 19 to 24 percent and dissatisfaction ranging from 53 to 68 percent. A March 30 poll by the pro-Blue

United Daily News showed satisfaction with Chen and with the DPP both at 21 percent. DPP Legislator Shen Fa-hui suggested to AIT that Chen's continued low ratings indicate that despite the tough approach he has adopted since January 1, he has not been able to consolidate support from the DPP base but only from Deep Green independence fundamentalists. Another DPP legislator, Julian Kuo, told AIT that the public identifies the DPP with Chen, which explains why support for the DPP is so low.

¶4. (C) Shen Fa-hui told AIT that DPP supporters once felt honored to belong to a party they saw as devoted to justice. That is no longer the case, however. Now, people do not want to admit affiliation with, or support for, the DPP. The basic DPP problem has been poor governance, Kuo explained, a problem exacerbated by the poison of high-level corruption scandals. DPP setbacks in a series of elections over the past sixteen months have further demoralized the party. Following major reverses in the December 2005 local elections, the DPP recently lost by-elections for Chiayi City legislator and Taitung County magistrate. Shen said he fears that a domino series of further election reverses, leading to the loss of the presidency in 2008, could cause a "collapse" in the party.

¶5. (C) Elections for mayors and city councils in Taipei and Kaohsiung will be held in December of this year. The DPP already expects to lose the mayoral race in Taipei, where the population structure favors the pan-Blue, but Shen expressed concern that the party may also stand to lose half of its current seats in the Taipei City Council, given political trends. While the DPP hopes to retain power in Kaohsiung City, that is by no means a given because the Kaohsiung electorate is equally divided between Green and Blue

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supporters, and even the popular former DPP mayor Frank Hsieh won reelection by just 20,000 votes. Julian Kuo told AIT that he doubts that the current leading DPP candidate, Chen Chu, can win in Kaohsiung because of objections from local DPP power brokers.

¶6. (C) Taiwan's next round of legislative elections will be held at the end of 2007. DPP legislators, especially those from Blue-majority northern Taiwan, are increasingly concerned that the low level of public support for the president and the party is dimming their prospects in elections that have already been made more difficult because the number of legislators will be cut in half (from 225 to 113) and each district will have a single representative. Only a fraction of the DPP legislators in the northern half of Taiwan will be able to keep their jobs. Kuo told AIT he expects the party's representation in Taipei City to be reduced from eight to just two seats. Overall, he predicted, the DPP could win as few as 40 seats in the 113-seat legislature in the 2007 elections.

¶7. (C) Premier Su's relatively high approval rating is the one bright spot for the DPP at this point, especially important as Su is viewed as having the best shot among potential candidates to win the 2008 DPP presidential nomination. According to public opinion polling over the past month, satisfaction with Su's performance ranges from 35 to 50 percent, consistently exceeding his dissatisfaction level, and one recent media poll showed public trust in Su at 60 percent, compared to just 28 percent for Chen. Su has maintained his political distance from Chen, apparently to avoid becoming tainted by the president's poor ratings. He recently rejected one of the president's political appointments, the first time this has happened in six years. Su, moreover, has stayed away from controversial issues such as cross-Straits and foreign relations and defense, which fall under the president's purview, and he has not allowed himself to get caught up in the president's ideological causes. In addition, Su has earned a reputation for hard work, a willingness to tackle difficult issues, and a focus on

anti-corruption, contributing to the public perception that he is serious about improving the government's performance.

¶8. (C) DPP leaders and legislators have proposed a variety of initiatives to rebuild public support for the party. One refrain echoed by all is to strengthen anti-corruption efforts. Another non-controversial idea is that the DPP government must work to show accomplishments on social and economic issues. Premier Su has pledged to step down if he cannot improve public safety within six months, and DPP Information Director Tsai Huang-liang told AIT that the party hopes the completion and opening of major transportation projects such as the High-speed Railway and the tunnel portion of the Taipei-Ilan Expressway will raise support for the government and improve election prospects.

¶9. (C) President Chen has a quite different plan for increasing DPP support: promoting a constitutional reform movement in order to mobilize the DPP base. DPP Policy Committee Deputy Director Lo Cheng-fang told AIT that the DPP headquarters is organizing the constitutional reform effort along two tracks. One track is to promote a social movement in support of constitutional reform, which will contribute to political mobilization. Lo said he expects that independence fundamentalists will want to discuss sensitive sovereignty issues, though the DPP realizes these will go nowhere. The other track will be to develop a practical package of non-sensitive constitutional amendments for submission to the LY this September. Shen Fa-hui said he does not expect the constitutional reform initiative to go anywhere because the general public is not interested in the issue. If Shen's observation is accurate, Chen's constitutional initiative may not have the desired effect of increasing public support for the DPP.

¶10. (C) Some DPP legislators, who blame President Chen for ignoring their interests and making important policy decisions without consulting them, hope to increase the voice of legislators in the DPP policymaking. One group of "young Turks" has announced plans to call a meeting of DPP

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legislators to discuss reforms. Another legislator, Julian Kuo, hopes that the DPP legislative caucus as a whole, not just a group of "young Turks," will assert its role in making policy. Acting as a whole, the LY caucus could effectively pressure President Chen to listen to its views, he explained.

Kuo noted that future LY elections will be one-on-one contests, in which candidates will have to adopt moderate policies to win the middle voters. He expressed hope that the party can be separated from President Chen and, instead, linked to moderate leaders such as Premier Su and former Premier Frank Hsieh, which will improve the DPP's standing and its chances in future elections.

Comment

¶11. (C) President Chen's continued strong hand limits the near-term prospects for meaningful improvement in the DPP's political standing. So far, DPP legislators do not appear well enough organized or willing to launch a revolt that might force Chen to adopt a more moderate approach. The party organization under Chairman Yu Shyi-kun will stick to its policy of catering to Chen. Premier Su will continue to work to consolidate his power while ducking Chen's political hardballs, in hopes of positioning himself for an uphill 2008 presidential campaign. While always difficult to predict, Chen will do whatever he thinks will help him most to hold on to power. At this stage, he appears to believe that he must continue appeasing the Deep Green base because he cannot survive without their support. Wrangling and dissatisfaction within the DPP is likely to intensify as the 2007-2008 LY and presidential elections grow closer, with pressure increasing on President Chen to accept his "lame duck" status.

YOUNG